

Message Text

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PAGE 01 WELLIN 00341 282318Z

ACTION EA-09

INFO OCT-01 EUR-12 IO-13 ISO-00 AID-05 CIAE-00 COME-00

EB-08 FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04

OPIC-06 SP-02 CIEP-02 LAB-04 SIL-01 OMB-01 NSC-05

SS-15 STR-04 CEA-01 /116 W

-----291018Z 098483 /22

R 280334Z JAN 77

FM AMEMBASSY WELLINGTON

TO SECSTATE WASHDC 2645

INFO AMEMBASSY CANBERRA

USMISSION MTN GENEVA

USMISSION OECD PARIS

UNCLAS WELLINGTON 0341

E.O. 11652: N/A

TAGS: EALR, EFIN, ETRD, NZ

AUBJECT: DECEMBER CURRENT ACCOUNT DEFICIT LARGEST FOR 1976

REF: 76 WELLINGTON 4715

1. THE RESERVE BANK OVERSEAS EXCHANGE

TRANSACTIONS RELEASED JANUARY 28 SHOW A

\$113 MILLION CURRENT ACCOUT DEFICIT FOR THE MONTH OF DECEMBER 1976.

THIS IS SOME \$22 MILLION MORE THAN THE NEXT LARGEST 1976

MONTHLY DEFICIT WHICH WAS SEPTEMBER. THIS LARGE DIFICIT

DEVELOPED DESPITE AN INCREASE IN EXPORT RECEIPTS FOR DECEMBER TO

\$255 MILLION, EXCEEDED ONLY IN THREE OTHER MONTHS OF 1976. IMPORT

PAYMENTS JUMPED TO \$285.5 MILLION IN DECEMBER,

HIGHEST MONTHLY FIGURE IN 1976. PRIVATE IMPORT PAYMENTS

ACCOUNTED FOR \$275.5 MILLION, THE HIGHEST MONTHLY IMPORT

PAYMENT ON RECORD. INVISIBLES RECEIPTS DROPPED SLIGHTLY

TO \$62 MILLION AND INVISIBLES PAYMENTS ROSE TO A RECORD

\$145 MILLION. OF THIS NEARLY \$112 MILLION WAS IN THE

PROVATE SECTOR.

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PAGE 02 WELLIN 00341 282318Z

2. CAPITAL RECEIPTS FOR DECEMBER ROSE TO \$183

MILLION (A FIGURE EXCEEDED ONLY IN JULY 1976). OF THIS

\$109 MILLION WAS GOVERNMENT BORROWING. IMF DRAWINGS

WERE NEARLY \$60 MILLION. CAPITAL PAYMENTS DROPPED TO

\$26 MILLION, OF WHICH \$24 MILLION WERE PRIVATE. FOREIGN

EXCHANGE RESERVES INCREASED \$125 MILLION IN DECEMBER.

3. THE CURRENT ACCOUNT DEFICIT FOR 1976 TOTALLED \$623 MILLION, COMPARED WITH \$985 MILLION FOR 1975. EXPORT RECEIPTS TOTALLED \$2,928 MILLION COMPARED WITH \$1,876 MILLION FOR 1975. RECEIPTS FOR MEAT ROSE TO (784 MILLION, COMPARED WITH \$514 MILLION IN 1975. WOOL RECEIPTS REACHED \$611 MILLION (VS \$319 MILLION FOR 1975), BUTTER WAS \$199 MILLION (VS \$147 MILLION FOR 1975). CHEESE RECEIPTS FELL SLIGHTLY TO \$71. MILLION. ANOTHER BIG GAINER WAS FOREST PRODUCTS WHICH ROSE TO \$243 MILLION (FROM \$154 MILLION IN 1975). MANUFACTURED EXPORTS CONTINUED THEIR STRONG GROWTH DURING THE YEAR TO REACH \$436 MILLION (UP FROM \$267 MILLION IN 1975).

4. IMPORT PAYMENTS REACHED \$2,938 MILLION, SOME \$463 MILLION GREATER THAN 1975. INVISIBLES PAYMENTS TOPPED \$1,246 MILLION (VS \$946 MILLION IN 1975). OF THIS \$1 BILLION WAS IN PRIVATE INVISIBLES PAYMENTS.

5. CAPITAL RECEIPTS TOTALLED \$965 MILLION (VS \$1,039 MILLION IN 1975). OF THIS \$431 MILLION WAS IN GOVERNMENT BORROWING, \$98 MILLION IN OTHER OFFICIAL RECEIPTS AND PRIVATE CAPITAL RECEIPTS TOTALLED \$436 MILLION. IMF DRAWINGS REACHED \$171 MILLION.

6. CAPITAL PAYMENTS FOR THE YEAR ROSE TO \$518 MILLION (VS \$375 MILLION IN 1975). OF THIS \$235 MILLION WAS IN GOVERNMENT DEBT REPAYMENTS, \$104 MILLION IN OTHER OFFICIAL PAYMENTS AND \$180 MILLION IN PRIVATE

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PAGE 03 WELLIN 00341 282318Z

CAPITAL PAYMENTS.

7. OFFICIAL FOREIGN EXCHANGE RESERVES ROSE \$134.5 MILLION DURING THE YEAR AND RESERVES STOOD AT \$679 MILLION AT THE END OF THE YEAR.

8. THE RESERVE EXCHANGE FIGURES FOR 1976 AND 1975 ARE NOT STRICTLY COMPARABLE BECAUSE NZ DEVALUED SEVEN PER CENT IN LATE NOVEMBER 1976 AND REVALUED AGAIN A FEW DAYS LATER BY TWO PERCENT. IN NOVEMBER BEFORE DEVALUATION \$NZ1 EQUALLED APPROXIMATELY \$US1 AND ON DECEMBER 31, 1976 THE RATE WAS .9550.

SELDEN

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Message Attributes

Automatic Decaptioning: X
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Concepts: FOREIGN EXCHANGE TRANSACTIONS
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Disposition Case Number: n/a
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Executive Order: N/A
Errors: n/a
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Original Previous Classification: n/a
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Retention: 0
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Secure: OPEN
Status: <DBA CHANGED> mcm 20041112
Subject: FOREIGN EXCHANGE TRANSACTIONS
TAGS: EALR, EFIN, ETRD, NZ
To: STATE
Type: TE
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